GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:4771
ANSWERED ON:09.05.2007
RURAL TELEPHONY
Veerendra Kumar Shri M.P.

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Bharat Sanchar Nigam Limited (BSNL) is anticipating lower revenue growth due to withdrawal of the Government's support for providing Rural Telephony;

(b) if so, the reasons for withdrawal of Government's support for Rural Telephony;

(c) whether the private service providers have fulfilled their obligations in respect of Rural Telephony;

(d) if not, the reasons therefor; and

(e) the action taken against them?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a) & (b) Government was providing reimbursement of License Fee and Spectrum Charges to Bharat Sanchar Nigam Limited (BSNL) from its inception to ensure that the viability of BSNL is not impaired on account of services provided by BSNL, which are uneconomic but socially desirable, at the behest of the Government.

However w.e.f. 01-04-2002, a levy of 5% Adjusted Gross Revenue (AGR) was imposed on all telecom service providers except value added service providers like Internet Service Providers (ISPs), Voice Mail and E-Mail etc. These Telecom Service Providers are accordingly contributing Universal Service Levy (USL) for meeting Universal Service Obligations. Proceeds of receipts on account of this levy are transferred to Universal Service Obligation Fund (USOF) through Budgetary allocation. Office of Administrator USOF was created to meet the requirement of connectivity in rural, remote and commercially unviable areas from proceeds of USOF. In view of this, it was decided to gradually phase out the reimbursement of License Fee and Spectrum Charges to BSNL. Accordingly this support was gradually phased out and was totally stopped in the year 2006-07.

(c) As per the present License agreement, there is no obligation on the part of Private Service Providers for provision of Telecom Services in rural areas. However, all telecom service providers except value added service providers like Internet Service Providers (ISPs), Voice Mail and E-Mail etc. are contributing Universal Service Levy (USL) @ 5% of Adjusted Gross Revenue (AGR) for meeting Universal Service Obligation.

(d) & (e) Do not arise in view of (c) above.